The following is an English version of the official Japanese announcement, which has been given to the JASDAQ and the media in Tokyo, Japan.

October 26, 2015

Company: SPARX Group Co., Ltd.
(JASDAQ Standard Code: 8739)

Notice Regarding the Selection of Fund Manager for Tokyo Metropolitan Government's Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare

We hereby inform that our subsidiary SPARX Asset Trust & Management Co., Ltd. (President and Representative Director: Masatoshi Fukami, hereinafter called "SATM") has received a notice that SATM was selected as one of the fund managers of "Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare (hereinafter called the Fund)" to be newly launched by Tokyo Metropolitan Government.

We believe that the decision came as a result of SATM which is to jointly participate with Japan's major nursing care providers, real estate developers and financial groups, being evaluated as one of the optimal fund managers for the Fund to realize the purpose of the Fund which is to promote the development of facilities contributing to welfare such as child-rearing assistance facilities and to promote the construction of "Tokyo version CCRC (*1)" in which multi-generation would live together.

*1 CCRC(Continuing Care Retirement Community) A facility service system based on the ideal of "continuous care" that provides housing, life services, care, nursing and medical services comprehensively according to the needs of the elderlies that change with their age.

1. Overview of the Fund and investment policy of the Tokyo Metropolitan Government for the Fund (based on the "Application Guidelines for Fund Managers for the Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare")

■ Overview of the Fund

The Tokyo Metropolitan Government will set up the Fund for the purpose of establishing a new system for the flow of funds in the welfare related area and promoting the construction of the "Tokyo version CCRC" and buildings including welfare related facilities in Tokyo where land prices are high. Specifically speaking, we will aim to introduce private-sector funding and know-hows through the "Public-Private Partnership Fund" scheme with the Tokyo Metropolitan Government's funding as an incentive and promote the construction of buildings that would contribute to welfare such as child-rearing assistance facilities (including community housings contain profit driven entities) as well as that of the "Tokyo version CCRC" in which multi-generation would live together and in which child- rearing assistance facilities are housed.

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Form of fund	Limited partnership for investment under the LPS Act
Size of fund	A fund (LPS) size of 10 billion yen or more (not the upper limit of the fund size) will be targeted by raising money from investors in addition to the 5 billion yen investment by the Tokyo Metropolitan Government.
Geographical areas of investment	Tokyo metropolitan area
Business areas of investments	Business to support/promote the construction of facilities that would contribute to welfare matching the needs of the region including child-rearing assistance facilities(*2)

*2 licensed nurseries, Tokyo Metropolitan Government-certified nurseries and after-school facilities that are subject to public support

■ Tokyo Metropolitan Government's investment policy for the Fund

- The Tokyo Metropolitan Government will participate in the limited partnership for investment as a limited partner and invest up to 5 billion yen through the scheme of securing the limited liability of the Tokyo Metropolitan Government.
- The authority to give instructions on investments for the limited partnership for investment shall be entrusted to the fund manager as a general rule based on the limited partnership agreement for investment.
- The fund manager will be selected with emphasis on its ability to perform operations and to assess investment targets, and a monitoring function from the standpoint of the limited partners (the LPS agreement will include the right to inspect and ask questions on the fund's status of property and operational performance) will be set up with the goal of steadily implementing business to construct facilities in the welfare related domain.

2. Tokyo Metropolitan Government's investment amount

As several fund managers including SATM have been selected, the Tokyo Metropolitan Government's investment amount in the fund to be managed by SATM will be 1.25 billion yen. Our company Group also plans to invest approximately 1% of the total investment to the Fund.

3. Future on Business Results of Our Group

The Fund is scheduled to be launched in February 2016. The effect on our Group's business results for the fiscal year ending March 2016, including management fees to be incurred as a result of the launch of the Fund and whether or not consolidation of the Fund as our subsidiary becomes necessary, will be disclosed immediately once the details of the Fund are fixed and the need for timely disclosure arises.

4. Future development of our Group

Our Group deems Tokyo Metropolitan Government's plans are truly meaningful aiming at bringing in private-sector funding from Japan and abroad in the form of investment funds with public-sector funding as an incentive for the purpose of promoting the construction of facilities that would contribute to welfare within the Tokyo metropolitan area and the establishment of the "Tokyo version CCRC," a building in which multi-generation lives together. Going forward, we will utilize our Group's experience and track record(*3) in public-private partnership fund management and real estate asset management for the stable operation of the "Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare" so that we shall meet the expectations placed on us being selected as a fund manager for the Fund.

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*3 Our Group companies have been selected as the operating manager for the “Public-Private Partnership Infrastructure Fund” in June 2012 and for the “Public-Private Partnership Renewable Energy Fund” in October 2014 by the Tokyo Metropolitan Government.

Based on the above, we will further expand and enhance the business of managing investments targeting real assets such as real estate properties or infrastructures to fully develop the business into a second major source of income for our Group.

■ Contact Information

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